This record is a partial extract of the original cable. The full text of the original cable is not available.

261351Z Jun 92

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 ZAGREB 01056 01 OF 03 261351Z
AMCONSUL MILAN
AMEMBASSY MOSCOW
AMCONSUL MUNICH
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY THE HAGUE
AMEMBASSY VIENNA
USMISSION USNATO
USMISSION USUN NEW YORK
USEC BRUSSELS
WHITE HOUSE WASHDC 0579
USMISSION GENEVA
DEPTTREASURY WASHDC

UNCLAS SECTION 01 OF 03 ZAGREB 01056

SIPDIS

VIENNA ALSO FOR USDEL CSBM; ISLAMABAD FOR POL/JPOGUE; HELSINKI FOR CSCE

E.O. 12356:N/A

TAGS: PGOV PREL PHUM ECON EFIN HR BK MOPS PREL PHUM ECON EFIN HR BK MOPS PREL PHUM ECON EFIN HR BK MOPS SUBJECT: ZAGREB UPDATE: JUNE 26, 1992

REF: PARIS 17530 (NOTAL)

SUMMARY

11. LOCAL PRESS REPORTS IT IS ALL QUIET TODAY ON THE DRNIS FRONT, BUT UNPROFOR HAS POSTPONED ITS TAKEOVER OF SECTOR SOUTH UNTIL THE CEASEFIRE IS RESPECTED. UNCLASSIFIED

UNCLASSIFIED

PAGE 03 ZAGREB 01056 01 OF 03 261351Z PRESIDENT TUDJMAN TOLD THE FRENCH PAPER "LE FIGARO" THAT CROATIA WILL NOT IGNORE THE PERIL OF CROATIANS IN BOSNIA-HERCEGOVINA BUT CROATIAN ARMY FORCES ARE NOT NOW ENGAGED. MILITARY COURT OFFICIALS IN OSIJEK ARE BUSY WITH PROSECUTIONS OF PROPERTY CRIMES AND INCREASED VIOLENCE. THE NATIONAL BANK PLANS A TIGHT MONETARY POLICY IT HOPES WILL CAP QUARTERLY INFLATION AT 52 PERCENT. END SUMMARY.

ALL QUIET ON THE DRNIS FRONT

12. NO FURTHER ACTION HAS BEEN REPORTED IN THE ZAGREB PRESS FROM THE BATTLEFIELD AROUND SIBENIK, INCLUDING THE MILJEVCI PLATEAU. THE LATTER AREA, PART OF THE "PINK ZONE" SOME 15 KMS FROM SIBENIK, WAS THE SITE OF THE CROATIAN MILITARY ADVANCE EARLIER THIS WEEK WHICH PUT INTO JEOPARDY UNPROFOR'S EFFORTS TO TAKE OVER SECTOR SOUTH.

UNPROFOR DELAYS TAKEOVER OF SECTOR SOUTH

13. AT A JUNE 25 MEETING IN ZADAR, UNPROFOR COORDINATOR FOR CIVILIAN QUESTIONS, VICTOR ANDREJEV, INFORMED THE REPRESENTATIVES OF THE ZADAR, GRACAC, OBROVAC, BENKOVAC, BIOGRAD, SINJ, AND KNIN COUNTIES THAT UNPROFOR HAS POSTPONED THE TAKEOVER OF FULL CONTROL OVER SECTOR SOUTH. ANDREJEV SAID UNPROFOR WILL TAKE

CONTROL OF SECTOR SOUTH WHEN THE CEASEFIRE IS "RESPECTED."

UNCLASSIFIED

UNCLASSIFIED

PAGE 04 ZAGREB 01056 01 OF 03 261351Z

MILITARY PROSECUTORS CRACKING DOWN ON LAWLESSNESS

14. THE CROATIAN MILITARY PROSECUTOR FOR OSIJEK,

UNCLASSIFIED

```
UNCLASSIFIED
PAGE 01
               ZAGREB 01056 02 OF 03 261352Z
ACTION EUR-01
                         AID-01 AMAD-01 CEA-01 CIAE-0
DODE-00 ITCE-00 CISA-02 DS-00
INFO LOG-00
               AGRE-00 AID-01
                                                      CIAE-00 PFIP-01
      CTME-00
               C-01
                                                                EAP-01
                EXME-00 E-01
      EB-01
                                   FRB-01
                                             HA-09
                                                      H - 01
                                                                INRE-00
      INR-01
                IO-19
                         ITC-01
                                   JUSE-00
                                            LAB-04
                                                      L-03
                                                                ADS-00
                NSAE-00
                         OIC-02
                                   OMB-01
                                             OPIC-08 PA-02
      NEA-01
                                                                PM = 0.1
                         RP-10
                                   SCT-03
                                             SDEL-01 SIL-01
      PRS-01
                P = 0.1
                                                                SNP-01
      SP-01
                         SSO-00
                                  SS-01
                SR-01
                                             STR-20
                                                      T - 0.1
                                                                USIE-00
        /107W
                       -----4383B6 261352Z /38
O 261351Z JUN 92
FM AMCONSUL ZAGREB
TO SECSTATE WASHDC IMMEDIATE 1256
INFO AMEMBASSY BELGRADE IMMEDIATE
USIA WASHDC 1707
USDOC WASHDC
AMEMBASSY ANKARA
AMEMBASSY ATHENS
AMEMBASSY BEIJING
AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY BUDAPEST
AMEMBASSY HELSINKI
```

UNCLASSIFIED

UNCLASSIFIED

ZAGREB 01056 02 OF 03 261352Z PAGE 02 AMEMBASSY MADRID AMCONSUL MILAN AMEMBASSY MOSCOW AMCONSUL MUNICH AMEMBASSY PARIS AMEMBASSY ROME AMEMBASSY THE HAGUE AMEMBASSY VIENNA USMISSION USNATO USMISSION USUN NEW YORK USEC BRUSSELS WHITE HOUSE WASHDC 0580 USMISSION GENEVA DEPTTREASURY WASHDC

UNCLAS SECTION 02 OF 03 ZAGREB 01056

SIPDIS

VIENNA ALSO FOR USDEL CSBM; ISLAMABAD FOR POL/JPOGUE; HELSINKI FOR CSCE

E.O. 12356:N/A

AMEMBASSY ISLAMABAD AMEMBASSY KIEV AMEMBASSY LISBON AMEMBASSY LONDON AMEMBASSY LUXEMBOURG

TAGS: PGOV PREL PHUM ECON EFIN HR BK MOPS PREL PHUM ECON EFIN HR BK MOPS PREL PHUM ECON EFIN HR BK MOPS SUBJECT: ZAGREB UPDATE: JUNE 26, 1992

BORIS BOBETIC, TOLD A PRESS CONFERENCE THAT HIS OFFICE IS INVESTIGATING A GREATLY INCREASED NUMBER OF CRIMINAL OFFENCES IN EASTERN SLAVONIA, ESPECIALLY THEFT, ILLEGAL ARMS SALES, AND ATTACKS ON PRIVATE HOMES, SHOPS, AND CARS. BOBETIC SAID HE HAS RECEIVED 1,444 COMPLAINTS AGAINST 8,396 INDIVIDUALS SO FAR THIS YEAR. SOME 6,000 CASES HAVE BEEN AJUDICATED; UNCLASSIFIED

UNCLASSIFIED

ZAGREB 01056 02 OF 03 261352Z THE OTHERS ARE UNDER INVESTIGATION. INDICTMENTS ARE PENDING AGAINST 2,446 PERSONS, INCLUDING 450 SOLDIERS. THE CROATIAN MINISTRY FOR DEFENSE ALSO REPORTEDLY PLANS TO PURSUE 30 DRAFT DODGERS.

TUDJMAN'S "LE FIGARO" INTERVIEW

15. PRESIDENT FRANJO TUDJMAN TOLD THE PARIS "LE FIGARO" THAT "IF WAR CONTINUES IN BOSNIA AND HERCEGOVINA, CROATIA WILL HAVE TO INTERVENE." ACCORDING TO TUDJMAN, CROATIA IS FOR A PEACEFUL SOLUTION IF THIS IS POSSIBLE. IN CASE A MILITARY INTERVENTION WOULD BE NECESSARY TO RESTORE THE PEACE, THE PRESIDENT IS FOR MORE EFFICACIOUS MEASURES SUCH AS AN AIR AND NAVAL BLOCKADE BY ALLIED AND/OR NATO FORCES. THE MAIN PART OF TUDJMAN'S INTERVIEW WAS DEDICATED TO CROATIAN-BOSNIAN RELATIONS. HE STRESSED AGAIN THAT NO MILITARY PACT HAS BEEN SIGNED BETWEEN CROATIA AND BOSNIA-HERCEGOVINA. HE POINTED OUT THAT THE GOAL OF CROATS AND MUSLIMS IS TO ESTABLISH MILITARY COOPERATION WHICH WOULD ENABLE THEM TO DEFEND THEMSELVES FROM AGGRESSION IN B-H. IF CROATS IN NEIGHBORING B-H WOULD BE THREATENED WITH ANNIHILATION, CROATIA WILL BE OBLIGED "TO DO SOMETHING TO HELP THEM." TUDJMAN ASSERTED THAT AT THE MOMENT NO REGULAR CROATIAN ARMY IS FIGHTING IN B-H. (EMBASSY PARIS HAS PROVIDED A FULLER VERSION OF THIS INTERVIEW IN REFTEL.)

NATIONAL BANK PLAN HOPES TO CAP INFLATION UNCLASSIFIED

UNCLASSIFIED

PAGE 04 ZAGREB 01056 02 OF 03 261352Z

16. THE COUNCIL OF THE NATIONAL BANK OF CROATIA AT ITS JUNE 25 SESSION ESTABLISHED A MONETARY-CREDIT POLICY FOR THE THIRD QUARTER OF 1992 WHICH IT CONSIDERS "RESTRICTIVE" AND WHICH WILL TRY TO CONTROL

UNCLASSIFIED

NNNN

PAGE 01

UNCLASSIFIED

ZAGREB 01056 03 OF 03 261353Z

ACTION EUR-01 INFO LOG-00 AGRE-00 AID-01 AMAD-01 CEA-01 CIAE-00 PFIP-01 CTME-00 DODE-00 ITCE-00 CISA-02 DS-00 C-01 EAP-01 EXME-00 E-01 FRB-01 H - 01INRE-00 EB-01 HA-09 IO-19 ITC-01 NSAE-00 OIC-02 INR-01 JUSE-00 LAB-04 L-03 ADS-00 NEA-01 OMB-01 OPIC-08 PA-02 PM-01 P-01 SR-01 PRS-01 RP-10 SCT-03 SDEL-01 SIL-01 SNP-01 SS-01 SSO-00 SP-01 STR-20 T - 01/107W -----4383C2 261353Z /38 O 261351Z JUN 92

O 2013512 JUN 92

FM AMCONSUL ZAGREB
TO SECSTATE WASHDC IMMEDIATE 1257
INFO AMEMBASSY BELGRADE IMMEDIATE
USIA WASHDC 1708
USDOC WASHDC
AMEMBASSY ANKARA
AMEMBASSY ATHENS
AMEMBASSY BEIJING
AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY BUDAPEST
AMEMBASSY HELSINKI
AMEMBASSY HELSINKI
AMEMBASSY KIEV
AMEMBASSY LISBON
AMEMBASSY LISBON
AMEMBASSY LONDON
AMEMBASSY LUXEMBOURG
AMEMBASSY LUXEMBOURG
AMEMBASSY MADRID

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 ZAGREB 01056 03 OF 03 261353Z
AMCONSUL MILAN
AMEMBASSY MOSCOW
AMCONSUL MUNICH
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY THE HAGUE
AMEMBASSY VIENNA
USMISSION USNATO
USMISSION USN NEW YORK

USEC BRUSSELS WHITE HOUSE WASHDC 0581 USMISSION GENEVA DEPTTREASURY WASHDC

UNCLAS SECTION 03 OF 03 ZAGREB 01056

SIPDIS

VIENNA ALSO FOR USDEL CSBM; ISLAMABAD FOR POL/JPOGUE; HELSINKI FOR CSCE

E.O. 12356:N/A
TAGS: PGOV PREL PHUM ECON EFIN HR BK MOPS PREL PHUM ECON EFIN HR BK MOPS PREL PHUM ECON EFIN HR BK MOPS
SUBJECT: ZAGREB UPDATE: JUNE 26, 1992

INCOME AND PRICES. IT EXPECTS NEXT QUARTER INFLATION WILL BE HELD TO 15 PERCENT PER MONTH. THE MONEY SUPPLY WILL BE ALLOWED TO GROW BY 45.9 PERCENT, AN INCREASE FROM THE PRIMARY ISSUE OF SOME 29.4 BILLION DINARS. THE COUNCIL OF THE NATIONAL BANK HAS STATED THAT IT WILL HOLD ON TO THIS STRICT MONETARY POLICY DESPITE PRESSURES TO LOOSEN UP.

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 ZAGREB 01056 03 OF 03 261353Z EINIK

UNCLASSIFIED

NNNN